Monitoring investment of overseas private equity hinds

2490. SHRI JESUDASU SEELAM: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Department of Industrial Policy and Promotion is working on ways to monitor investment of overseas private equity funds in India;

(b) if so, whether large chunks of foreign investment come through Mergers and Acquisition (M& A) deals rather than Greenfield investment; and

(c) if so, what measures are being contemplated to check this?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) Extant policy on Foreign Direct Investment (FDI) is incorporated under Schedule I of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified under the Foreign Exchange Management Act, (FEMA), 1999, as the FDI Scheme. Any investment by non-resident entities, including overseas private equity funds, is governed by the FDI Scheme. FDI policy is reviewed on a continuous basis through inter-ministerial consultations. Investments made under Portfolio Investment Scheme are governed by Schedule 2 of the FEMA Regulations.

(b) and (c) As per the FDI statistics maintained by the Government, out of the total FDI inflows of USS 62.8 billion received since 1996, inflows through acquisition amounted to USS 14.9 billion and inflows through routes other than acquisition amounted to USS 47.9 billion.

2491. SHRI HARISH RAWAT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the CAG in its recent report indicted the SEZs for loss of revenue due to their exports to domestic tariff area;

(b) if so, the details of such SEZs and the amount of revenue lost; and

(c) what steps are being taken to amend the existing rules to rule out such possibility in future?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (c) In its audit report, the scope of which covered 2061 Special Economic Zone (SEZ) units, C&AG has observed that 22 units in two SEZs had been achieving the prescribed positive Net Foreign Exchange (NFE) mainly through domestic sales and that duty of Rs. 1043.29 crore was foregone on import of goods by these units. However, it is to be noted that as per figures compiled for the year 2007-08, physical exports from the SEZs are of the order of Rs. 64623 crore, which is 87% of their total turnover. During this period, the domestic supplies made by SEZs were about 9% and sales in domestic tariff area not counted for positive NFE was about 4%.

Award of research contracts

2492. SHRI MAHMOOD A. MADANI: Will the Minister of COMMERCE*AND INDUSTRY be pleased to state:

(a) does the ministry award research contracts to Consultants, NGOs, Academic and Research Organizations etc.; "'

(b) if so, the details of the list of research contracts with the name of the organizations who were awarded the research contracts in the last three years and its progress;

(c) are the research contracts illustrated on the website of the Ministry, if not the reasons therefor; .

(d) what is the internal process in deciding the topics of these research contracts, the details thereof; and

(d) were the research contracts awarded through a competitive bidding process; if yes, what is the criteria adopted for the competitive bidding process and if not what is sanctity of the award process?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Financial assistance under Market Access Initiative (MAI) Scheme is provided for the following types of studies:

(i) Market study/survey for evolving proper marketing strategies;

(ii) Export Potential Survey of the States;

iii) Project/Study which further the objectives of the schemes;

(iv) WTO studies for evolving WTO compatible strategy;

(v) All Trade related studies including Joint Study Group (JSG), Free Trade Agreement (FTA), Regional Trade Agreement (RTA) studies etc.

(b) A list of market studies/surveys with the name of implementing agency/organization, who were given assistance under MAI scheme, is given in the Statement *(See* below).

(c) List of studies/surveys for which assistance was given by the Ministry, under MAI scheme, during the last three years is available on the Website of the Ministry.

(d) Study/survey proposals by the eligible agencies under the MAI Scheme are considered and approved by an Empowered Committee of MAI, for grant of assistance.

(e) Market studies/surveys are undertaken by implementing agencies through reputed professional organisation.

Statement

List of Market Studies approved under MAI Scheme for the year 2005-06, 2006-07 *and* 2007-08

2005-06

SI. No.	Implementing Agency/Organisation	Subject of the Market Study Proposal
\	2	3
1.	M/s Economic Law Practice, New Delhi (ELP)	Market study of the expert group on rules of origin with industry on product
2.	Bombay Chamber of Commerce	Consultation with domestic industry on the rules of origin interactive session

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3.	Business Denfo Publishing Co.(P).Ltd.	Market study of inverted duty structure on account of grant of concession by India
4.	EU Division, DOC	Market study on implications of modification of schedules of commitments of European Commission
5.	National Council for Applied Economic Research (NCAER)	Market study on formulation of a new scheme x DEPB scheme
6.	Associated Chambers of Commerce & Industry of lndia (ASSOCHAM)	Market study on VAT by ASSOCHAM
7.	National Centre for Trade Information, New Delhi (NCTI)	Market study and analysis to sort out the tariff lines/concessions for use during negotiations with Singapore
8.	ELP	Projects on domestic regulations relating to trade in services
9.	Research and Information System for Developing Country (RIS)	Market study regarding India-Malaysia Joint Study Group (JSG) for the CECA
10.	Government of West Bengal	Market study on District-wise export potential survey in West Bengal
11.	Cochin University	Market study on Intellectual property for preparing India's response to the US and Swiss
12.	NCTI	Market study on trade measures in Multilateral Environment agreements and preparing background papers
13.	Madras School of Economics	Preparing background (papers and compendium) on the issues relating to trade measure in multilateral Environment Agreements
14.	NCTI	Market study on sensitive list under SAFTA and Sri Lanka's negative list ISLFTA by NCTI
15.	NCTI	Market study on India's FTA.with Mauritius by NCTI
		Market study in lndia Week in Bavaria
16.	(ESC)	Market study on trade in services for chapter of the India-Malaysia
17.	Indian Council for Research on International Economic Relations, New Delhi (ICRIER)	Market study on negotiations on trade in services for agreement with ASEAN and Thailand
18.	ICRIER	Market study on issue involved in the negotiations on the agreement on agriculture WTO
19.	NCAER	

20.	NCAER	Market study on EU by NCEAR
21.	ELP	Market study for understanding non tariff .requirements to expand trade with BIMSTEC countries
22.	ELP	Market study for consultation with domestic industry for rules of origin
23.	ELP	Market study for domestic consultation BIMSTEC FTA
24.	ELP	Market study of India negative list items for BIMSTEC FTA
25.	Shellac EPC	Proposal for conducting study identify potential areas for promoting LAC cultivation in India
26.	Shellac EPC	Proposal from Shellac Export promotion council for CIS Countries
27.	Government of West Bengal	proposal of Export Potential Study from Government of West Bengal
28.	M/s Luthra *&* Luthra Offices	Project on "Assessment of Mode 4 including Assessment of qualification and Licensing Requirements and Procedures in our Trading partners".
29.	ELP	Project on Bench making and position to be taken
30.	ELP	Market study of Access Restrictions on Re-furnished
31.	KSATechnopak	Market study Reference document on NAMA Negotiations
32.	NCTI	Market Study of India-SACU PTA/FTA
33.	NCTI	Market Study By NCTI
34.	M/s Luthra & Luthra Offices	Market study on possible elements of S&D Treatment
35.	Spices Board	Market study on development of strategy for marketing of Indian Cardamom
36.	RIS	Market study on identification of item for product Specific
37.	Council for Leather Export (CLE^	Market study on Non leather footwear sector in India to be undertaken
38.	NCAER	Market study on trading arrangement with China proposal submitted
39.	RIS	Market study on India's Trade in Audio visual Servicesupder GATS

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40.	RIS	Market study on non agricultural products in the WTO
41.	The Energy and Resources Institute (TER1)	Trade and Technology Transfer-negotiating options for India in WTO
42.	ASSOCHAM	Enterprise India-Advantage Sudan
43.	Directorate General of Foreign Trade (DGFT)	Formulation of a WTO compatible duty remission Scheme for Exports
44.	ASSOCHAM	Study on impact of VAT on exporters
45.	NCAER	Study on preferential trading arrangements with China by NCAER
46.	NCT1	Four Work study carried out for FT(S A) Division
47.	ELP	Study on "Understanding Non-tariff requirements to expand trade with BIMSTEC Countries
48.	RIS	Study on India Pakistan Trade and Economic relations- Prospects and Challenges
49.	Agricultural and Processed Food Products Export Development Authority (APEDA)	a. Study on frozen fruits and vegetables [v] b. Direct International retailer export promotion of agricultural and food products c. Study on medicinal and aromatic plants
50.	RIS	Six Market studies in Armenia and Georgia under MAI Scheme proposed by Embassy of India
51.	Wool & Woollens Export Promotion Council (W&WEPC)	Market Research/Study by W&W EPC in CIS countries for opening warehouse cum showroom
52.	NCAER	Preparation of study report to examine the feasibility of a comprehensive economic agreement between India and Chile

2006-07

1.	NCAER	Government procurement under the General Agreement on trade in Services
2.	Centre for North East Studies and Policy Research	Look East, but through Northeast- potential of trade relations between Northeast India, Myanmar, Bhutan, China, Bangladesh and Southeast Asia
3.	Indian Institute of Foreign Trade (IIFT)	Export Potential Surveys of Thrust Sector products in Karnataka
4.	M/s Luthra & Luthra Offices	Framework and Content of DR Disciplines under GATS

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5.	ELP	Legal Model for an Emergency Safeguard Measure
6.	Engineering Export Promotion Council (EEPC)	Process of Engineering Process Outsourcing Sector in India
7.	ICRIER	NTBs on India Tariff barriers on India's trade with Pakistan
8.	NCTI	Analysis of the coverage of products in connection with India MERCOSURE, PTA
9.	NCTI	India-Israel FTA/PTA study
10.	NCAER, RIS, Confederation of Indian Industries (CII)	Preparation of Anual document each for USA, EU, China and Japan in terms of decision taken in 2nd TERC Meeting
11.	ASSOCHAM	Study on impact of FBTand service tax on exporters
12.	RIS	IBSA Economic Cooperation-trilateral trade and Economic cooperation
13.	RITES	Study on inter country movement of freight traffic between India and Pakistan
14.	The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)	Export Strategy for Man Made Fibre Textile Sector
15.	ELP	Feasibility Study on a possible CECA between India and EFTA countries
16.	NCAER, ICRIER & RIS	Internal Study for SACU, India and MERCOSURE, Trade Engagement
		Agriculture-NCAER
		Services - ICRIER
		NAMA and Investment - RIS
18.	EEPC and SRTEPC	Enabling domestic industry to participate effectively in stakeholder consultations on matters relating to anti-dumping Agreement/subsidies agreement negotiations in the WTO
19.	RIS	Study of "Trade in Services" in connection with India Republic of Korea Joint Study Group
20.	Indian Institute of Management (IIM), Ahmedabad	AstudyoftheJNPtoIIM

21.	India Trade Promotion Organisation (IITPO)	Proposal for inviting buyers to Delhi Book Fair (September 16-24,2006)
22.	NCTI	NCTI studies on trade information of SAARC Countries-Sanction of funds under MAI Scheme
23.	ICRIER	Creation of and maintaining an India-specific online NTB Database
2007-08		
1.	Consumer Unity and Trust Society (CUTS)	Capacity Building of Indian Government Officials on Commercial Diplomacy/TPD
2.	NCTI	Feasibility factors of FTA between India and Peru and identification of Indian wish list under PTA/ FTA
3.	Cochin Univ. of Science & Technology	Study on Access and Benefit Sharing : Indian experience
		Comprehensive Economic Cooperation Agreement between India and COMESA
4.	NCTI	Study relating to NTBs in South Korea and Japan through ELP
5.	ELP	Study by NCAER on Scope and Pace of Expansion of Trade through India - China Trade Point at Nathula and other related issues
6.	Infra-II Division, DoC	Study on Assessment of the Potential Costs and benefits of SEZs in India
7.	CUTS	Studies on FTAs based on short term and medium term needs of DOC
8.	IIFT	Study on impact of fiscals and other policy measures and procedures on exporters in India
9.	ASSOCHAM	Diversification of Exports from China a sectoral study
10.	NCAER&EPL	Study to analyse the trade data on items under the early harvest scheme between Thailand and Singapore cell work, ASEAN work
11.	NCTI/FT(EA) Division, DoC	Proposal of Indian Textiles Industry (CITI) to conduct a study on India's Textiles and Clothing sector
12.	Confederation of Indian Textile Industry (CITI)	Proposal of NCEAR for Diversification of Exports from China-a sectoral study
13.	NCEAR	Study of the Pakistan's positive list carried out by National Centre for Trade Information (NCTI)
14.	NCTI	Proposal of ICRIER for Research study on India-EU Free Trade Agreement
15.	ICRIER	